

**TESTIMONY OF
DIRK BRAZIL
DEPUTY DIRECTOR, DEPARTMENT OF FISH AND GAME
STATE OF CALIFORNIA**

**SENATE COMMERCE, SCIENCE AND TRANSPORTATION COMMITTEE
SUBCOMMITTEE ON OCEANS, ATMOSPHERE AND FISHERIES**

MAY 14, 2002

Introduction

Madame Chairwoman and members of the subcommittee, thank you for holding this hearing today. My name is Dirk Brazil. I am a deputy director of the California Department of Fish and Game and I am here on behalf of our director, Robert C. Hight, to testify in support of the Pacific Salmon Recovery Act (S. 1825). In addition, I want to thank you, Madame Chairwoman, for introducing this important bill and for working closely with the Department on it.

Importance to California

Recovery and management of coastal salmon is critical to California. As I describe in greater detail later in my testimony, many of California's coastal salmon populations are at critically low levels. Nearly all of these stocks are listed as threatened or endangered under the Endangered Species Act and/or the California Endangered Species Act.

As you know, California is the most populous and third largest state in the nation, as well as the fifth largest economy in the world. With over 70% of California's population residing in coastal counties where these runs of salmon occur, it is not surprising that these listings have had an adverse impact on important parts of the State's economy -- commercial and sport fisheries and related industries, timber management, agriculture, ranching, urban development, mining, and recreation.

This bill is important to California because it would improve our current ability to recover and manage coastal salmon. It would authorize federal funding over a six-year period, thereby allowing the Department to implement a more comprehensive strategy at the watershed level for restoration of coastal salmon and habitat through two complete life cycles of coho salmon and one life cycle of chinook salmon.

Status and Recovery Needs of California's Salmon Stocks

There are 15 Evolutionarily Significant Units of pacific salmon in California, ten of which are

listed under the Federal Endangered Species Act, and one of which is a candidate for listing. Attached for your information is a table entitled: "Federal and State Endangered Species Act Status for California's Anadromous Salmonids as of 1/18/02" which provides a summary of the listings.

The primary reason for salmon declines is degraded freshwater habitat. Therefore, recovery actions are aimed at restoring and rehabilitating degraded or blocked freshwater habitat. Providing access to healthy former habitat that is now inaccessible to salmon because of an impassable dam, culvert, or road crossing is one of the most important and least intrusive restoration actions that the state is pursuing. Providing greater instream flows and restoring the natural flow cycles is another restorative action needed in many of our rivers and streams. Adequate fish screens on water diversions will reduce fish losses associated with entrainment of fish into diversion canals or into pumps. Habitat restoration projects to reduce sediment input from chronic sediment sources (roads, landslides, etc.) are key to rehabilitating spawning streams that are degraded by an excess of sediment.

State Commitment to Coastal Salmon Restoration

California's commitment to restoration of coastal salmon habitat has been demonstrated over the last 22 years. In 1981, in response to rapidly declining populations of salmon and steelhead trout and deteriorating salmonid habitat, a Fishery Restoration Grants Program (FRGP) was established in the Department of Fish and Game. Since 1981, the FRGP has awarded funding to more than 2,000 projects, totaling more than \$100 million in grant funds. Sources of the state funding have included:

- › Steelhead Catch-Restoration Card (up to \$100,000 per year),
- › Salmon Stamp (up to \$250,000 per year),
- › The Tobacco Tax and Health Protection Act of 1988 (\$100,000 per year through 2001),
- › Water Bond Act of 2000 (\$25 million over three years),
- › SB 271 creating the Salmon and Steelhead Restoration Account (up to \$8 million per year through 2002), and
- › California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (funding level year currently uncertain, to begin in 2003).

Federal Commitment to Coastal Salmon Restoration

California received grants from the federal Pacific Coastal Salmon Recovery Fund totaling \$9,000,000 in fiscal year 2000/2001 and \$15,086,400 in fiscal year 2001/2002. During fiscal year 2000/2001, the combination of state and federal funds totaled \$23,169,969, which the State used to fund the following types of restoration projects:

- **Salmon Habitat Restoration Projects** - 104 projects totaling \$8,361,114 in state funds; and 80 projects totaling \$6,714,010 in federal salmon recovery funds.
- **Planning and Assessment Projects** – 39 projects totaling \$2,405,428 in state funds; and 17

projects totaling \$876,872 in federal salmon recovery funds.

- **Salmon Research and Monitoring Projects** – 8 projects totaling \$1,260,606 in state funds; and 7 projects totaling \$231,546 in federal salmon recovery funds.
- **Outreach and Education Projects** – 26 projects totaling \$536,036 in state funds; and 9 projects totaling \$355,054 in federal salmon recovery funds.
- **Salmon Enhancement/Supplementation Projects** – 8 projects totaling \$249,474 in state funds; and 2 projects totaling \$38,065 in federal salmon recovery funds.
- **Local Capacity Building and Organizational Support Projects** – 24 projects totaling \$1,671,758 in state funds; and 8 projects totaling \$470,006 in federal salmon recovery funds.

Federal funding for coastal salmon recovery in California flows directly to on-the-ground needs implemented by non-profit organizations, local public agencies, small businesses, and private individuals. These dollars have funded many worthwhile projects. Through the grant process we developed to review and determine which projects would receive funding, 436 barriers have been removed and the California Conservation Corps have planted 1.3 million trees in the riparian zones of 120 streams.

Madame Chairwoman, because your bill would authorize funding over a fixed period of years, this would allow the Department to implement a more comprehensive plan at the watershed level for restoration of salmon and steelhead habitat. A fixed funding period of six years, for instance, would also allow evaluation of fishery response to occur through two complete life cycles of coho salmon. In addition, the current level of funding may not be adequate to recover salmon in a timely manner. This bill would provide additional funding at this critical juncture before stocks decline to a point where recovery is problematic. We have a need for additional funding because California has 840 miles of coastline with many anadromous fish streams that need to be restored. By way of comparison, Oregon has 296 miles and Washington has 157 miles of coastline.

California also receives federal funding for the restoration of salmon habitat in the Central Valley, but these stocks are managed separately from coastal salmon. These federal funds are provided through the following four programs that support projects such as screening and fish passage projects; however, none of these monies are available for use on the coastal stocks of salmon:

- The Central Valley Project Improvement Act (CVPIA), funded annually by the Energy and Water Appropriation bill through a surcharge imposed on Central Valley Project water and power contractors, has provided \$39,323,500 for over 70 projects to restore anadromous fish habitat.
- Since 1996, state and federal agencies that are part of the CALFED Bay-Delta Program have awarded more than \$335 million in grants for some 323 projects that help achieve ecosystem restoration goals, ranging from fish ladders that help salmon bypass dams to habitat and water-quality improvements.
- The Four-Pumps Agreement has provided \$20 million in state funds for mitigating the effects on salmon for operation of the State Water Project.

The Tracy Fish Facility Mitigation Program has awarded \$4 million in federal funds to offset losses of salmon at the Tracy Pumping Plant.

Process for Targeting and Awarding Pacific Coastal Salmon Funds

The Department uses basin planning to strategically target grant funds to the highest priority projects within watersheds. An example of a basin plan includes the recently completed Draft Russian River Basin Restoration Plan, which identifies key areas for restorative actions by streams, reaches, and watershed sub-basins. The plan prioritizes salmonid restoration priorities specific to tributaries and sub-basins, and also identifies needs for additional study. Progress is also being made to integrate watershed-level information provided by the multi-agency North Coast Watershed Assessment Program (NCWAP). Several state agencies are working in concert to collect and analyze information designed to characterize current and past watershed conditions. A “synthesis report” is developed for each hydrologic unit by NCWAP, which will provide the Fishery Restoration Grants Program with information about the priority areas where restoration is most needed. This information will be used for planning restoration program grant priorities and provide valuable information from cumulative watershed effects analysis for basin-wide planning efforts and development of long-term restoration strategies.

Proposals in California receive intensive technical and field reviews that weigh heavily the priorities of each basin. Once a Request for Proposal (RFP) is received by the FRGP, it is subjected to five levels of review, as follows:

1. Upon receiving a proposal, a Technical Review Team (TRT) is convened to evaluate proposals using criteria described in the RFP. This team is comprised of Department fishery specialists, NMFS staff, and Department of Conservation, California Geologic Survey (CGS) personnel having extensive experience in evaluating restoration proposals. First, the TRT reviews proposals to determine if they meet all of the administrative requirements of the RFP. Then, the TRT prepares a pre-evaluation of each proposal with focused questions for field regional evaluators. This review also provides the CGS representative the opportunity to identify projects that need a field engineer’s review. The evaluation criteria provide the means to determine biological soundness, and the technical and cost effectiveness of the proposals.
2. During the second level of review, projects are reviewed at the site by field regional evaluators in order to evaluate, make comments, and score proposals (in compliance with contract law) to determine if they will lead to restorative actions.
3. During the third level of review, regional evaluator scores, response to TRT questions, and comments are reviewed again by the TRT. Based on this review, the TRT may assign a different score to projects, in accordance with the criteria described in the RFP. All proposals, not administratively rejected, are forwarded with Department evaluation scores and comments, to the California Coastal Salmonids

Restoration Grants Peer Review Committee.

4. This committee, established by legislation, acting autonomously in a fourth level of review, evaluates each proposal and makes recommendations for funding priorities, as well as recommendations for limitations to dollar amounts to be funded, and provides the Director with a prioritized list of projects for funding.
5. This list of recommended proposals is then forwarded to the Director for the fifth, and final level of review and approval.

Pacific Salmon Recovery Act: California issues

As I mentioned at the outset, the Pacific Salmon Recovery Act is vitally important to California, and we applaud Senator Boxer for her leadership on this issue. We have a few areas of concern with the legislation as it is currently written. However, we are confident that all of our concerns can be resolved. They are the following:

1. The restriction of the state's share of matching funds to those available only in the Department's Coastal Salmon Recovery Program. We recommend changing the language of the bill to lift this restriction. This would allow the Department to continue using a variety of State matching funds, such as the state Coastal Salmon Recovery Program, the North Coast Watershed Assessment Program, the 2000 Water Bond Act (Prop. 13), the 2000 Park Bond Act (Prop. 12), and the recently passed Prop. 40, among others.
2. The requirement for the formation of a redundant peer review group. Proposals in California are subjected to five levels of review. We recommend amending the bill to recognize and allow current alternative scientific review or peer review processes to continue. This redundancy could unduly threaten the timely application of restoration funds to much-needed remedial projects.
3. The requirement for a completed California Salmon Conservation and Habitat Plan by the end of the first fiscal year. We support the requirement of a California Salmon Conservation and Habitat Restoration Plan as a condition of receiving funds, but respectfully request that each state be allowed two years to develop the plan, and that funds not be withheld during these two years of plan preparation.
4. The bill requires the submittal and approval of an annual spending plan "which shall include a description of the projects and programs that the State or tribe plans to implement with the funds allocated." During the initial review of this bill, we interpreted this to be a *general description of the types of projects* that will be implemented by the program and

not a *detailed description of projects* to be implemented. For California to provide a detailed description of the projects would require waiting until after the Director approved a list of specific detailed projects for each annual funding cycle and then submitting these individual projects to the Secretary of Commerce for another level of approval. This final level of approval would unduly delay and potentially eliminate many projects important to California.

Through our grant cycle, proposals are received each May, field reviewed from June to September, scored in October, reviewed and proposed for funding by the California Coastal Salmonids Restoration Grants Peer Review Committee in November, and approved for funding by the Director in January. February through June is reserved for finalizing contracts and gaining permits. Most projects have to be implemented during the summer field season (which is most often July to September when listed species are not in the area). To delay grant awards until the Secretary makes a final decision on a *detailed description of projects* will, most likely, cause these contractors to lose a full field season. The loss of one full field season could jeopardize the program's ability to implement in-stream restoration projects due to limitations on state contracts -- funds must be spent within three years of the date of encumbrance or the funding disappears. Because many complex on-the-ground projects take the full three years to complete, the funding could disappear if the first field season is lost. This would also delay the timely delivery of federal funds to worthy projects.

Therefore, we request clarification of the language "shall include a description of projects and programs...." If this language means anything more than a generic description of the kinds of projects, this requirement would adversely impact the program. We agree that there should be federal oversight to ensure federal funds are expended prudently, and propose that each recipient provide the Secretary with annual spending reports detailing the type and number of projects funded the previous year (rather than a detailed description of projects for approval).

Conclusion

In closing, I wish to reiterate the Department's thanks to you for holding this hearing, and for inviting the Department to appear before you today. We look forward to continuing to work with Senator Boxer and the other states and tribes. I would be pleased to answer any questions you may have.